



Armed Forces Gross Income

Members of the Armed Forces receive many different types of pay and allowances. Some are included in gross income while others are excluded from gross income. **Table 1** lists included items that are subject to tax and must be reported on your tax return. **Table 2** lists excluded items that are not subject to tax, but may have to be shown on your tax return.

Table 1—Included Items

These items are included in gross income, unless the pay is for service in a combat zone

Basic pay <ul style="list-style-type: none"> • Active duty • Attendance at a designated service school • Bank wages • CONUS COLA • Drills • Reserve training • Training Duty 	Special pay (cont) <ul style="list-style-type: none"> • Hostile fire or imminent danger • Medical and dental officers • Nuclear-qualified officers • Optometry • Pharmacy • Special compensation for assistance with activities of daily living (SCAADL) • Special duty assignment pay • Veterinarian • Voluntary Separation Incentive 	Other pay <ul style="list-style-type: none"> • Accrued leave • High deployment per diem • Personal money allowances paid to high ranking officers • Student loan repayment from programs such as the Department of Defense Educational Loan Repayment Program when year's service (requirement) is not attributable to a combat zone
Special pay <ul style="list-style-type: none"> • Aviation career incentives • Career sea • Diving duty • Foreign duty (outside the 48 contiguous states and the District of Columbia) • Foreign language proficiency • Hardship duty 	Bonus pay <ul style="list-style-type: none"> • Career status • Enlistment • Officer • Overseas extension • Reenlistment 	Incentive pay <ul style="list-style-type: none"> • Submarine • Flight • Hazardous duty • High altitude/Low altitude (HALO)

Table 2—Excluded Items

The exclusion for certain items applies whether the item is furnished in kind or is a reimbursement or allowance. There is no exclusion for the personal use of a government-provided vehicle.

Combat zone pay <ul style="list-style-type: none"> • Compensation for active service while in a combat zone • Note: Limited amount for officers 	Family allowances <ul style="list-style-type: none"> • Certain educational expenses for dependents • Emergencies • Evacuation to a place of safety • Separation 	Travel allowances <ul style="list-style-type: none"> • Annual round trip for dependent students • Leave between consecutive overseas tours • Reassignment in a dependant restricted status • Transportation for you or your dependents during ship overhaul or inactivation • Per diem
Other pay <ul style="list-style-type: none"> • Defense counseling • Disability, including payments received for injuries incurred as a direct result of a terrorist or military action • Group-term life insurance • Professional education • ROTC educational and subsistence allowances • State bonus pay for service in a combat zone • Survivor and retirement protection plan premiums • Uniform allowances • Uniforms furnished to enlisted personnel 	Living allowances <ul style="list-style-type: none"> • BAH (Basic Allowance for Housing) • BAS (Basic Allowance for Subsistence) • Housing and cost-of-living allowances abroad paid by the U.S. Government or by a foreign government • OHA (Overseas Housing Allowance) 	In-kind military benefits <ul style="list-style-type: none"> • Dependent-care assistance program • Legal assistance • Medical/dental care • Commissary/exchange discounts • Space-available travel on government aircraft
Death allowances <ul style="list-style-type: none"> • Burial services • Death gratuity payments to eligible survivors • Travel of dependents to burial site 	Moving allowances <ul style="list-style-type: none"> • Dislocation • Military base realignment and closure benefit (the exclusion is limited as described above) • Move-in housing • Move household and personal items • Moving trailers or mobile homes • Storage • Temporary lodging and temporary lodging expenses 	